

NSC BRIEFING

28 March 1957

INDONESIAN DEVELOPMENTS

- I. After two weeks, Indonesian efforts to form new government still unsuccessful.**
 - A. Sukarno now pressing for modified "concept" which omits Communists from new cabinet but includes them in super-advisory "National Council."**
 - B. Has called for formation of non-party "business cabinet" (by 2 Apr) which, when formed, would then appoint "National Council" (with Sukarno in chair).**
 - C. New proposal looks like maneuver to compromise with some demands of Moslem-Christian opposition.**
- II. Communists continuing strong support for Sukarno, including threat of national strike.**
 - A. However, strike would be illegal under present "state of war and siege" and army has stated intention suppress any Commie disturbances "ruthlessly".**
- III. Army remains important factor in any final crisis settlement.**
 - A. Recent commanders' meeting resulted in unanimous call for renewed Hatta-Sukarno cooperation, and chief-of-staff has stated that Army will use present decree powers to clean up corrupting.**
 - B. However, on issue of local autonomy, Army leaders from areas in revolt stood opposed to chief-of-staff.**
 - C. Thus, Army unity--which could be key to settlement--still not achieved.**